

INTERIM REPORT
3 QUARTER
UNAUDITED 17



MØRE BOLIGKREDITT

Interim report from the Board of Directors

About the company

Møre Boligkreditt AS is a wholly owned subsidiary of Sparebanken Møre. The company is licensed to operate as a mortgage company, issuing covered bonds. Møre Boligkreditt AS is Sparebanken Møre's most important source of market funding and an important part of the parent bank's long term funding strategy.

The accounts have been prepared in accordance with IFRS.

Third quarter results

The financial statements of Møre Boligkreditt AS show a pre-tax profit of NOK 56 million in third quarter 2017, compared to NOK 54 million in third quarter 2016. Net interest income amounted to NOK 68 million, compared to NOK 61 million in third quarter last year. Costs amounted to NOK 9 million in third quarter 2017, compared with NOK 8 million in the corresponding quarter in 2016. Net change in value of securities and related derivatives was negative with NOK 3 million in third quarter 2017, compared to positive with NOK 1 million in third quarter 2016.

Møre Boligkreditt AS has not established losses or impairment for individual losses in third quarter 2017, nor made any changes to the collective impairment. Profit after tax amounted to NOK 42 million in third quarter 2017, compared to NOK 41 million in the corresponding quarter 2016.

Møre Boligkreditt AS acquired mortgages from Sparebanken Møre also in the third quarter of 2017, and net lending increased by NOK 303 million.

In third quarter 2017 one bond loan with outstanding volume of SEK 700 million matured, and Møre Boligkreditt AS made new tap issues in two existing bond loans with a total volume of NOK 1 000 million.

Third quarter end results

By third quarter end 2017 the financial statements show a profit before tax of NOK 144 million, compared to NOK 164 million by third quarter end 2016. Net interest income amounted to NOK 186 million by third quarter end 2017, compared to NOK 183 million by third quarter end last year. Costs in the period ending 30 September 2017 amounted to NOK 28 million, compared with NOK 25 million for the corresponding period in 2016.

Profit after tax amounted to NOK 108 million by third quarter end 2017, compared to NOK 123 million by third quarter end 2016. Tax amounted to NOK 36 million in the first nine months of 2017, compared to NOK 41 million the first nine months of 2016.

Møre Boligkreditt AS had ten covered bond loans outstanding at 30 September 2017 with a total bond loan debt of NOK 18 692 million, compared to eleven covered bond loans with NOK 15 805 million outstanding at 30 September 2016.

Total assets at third quarter end 2017 amounted to NOK 21 518 million compared to NOK 18 817 million at third quarter end 2016. Net lending amounted to NOK 20 838 million at third quarter end 2017, compared with NOK 18 005 million at third quarter end 2016. At end of third quarter 2017, the mortgages in the cover pool had an average loan-to-value ratio of 56 per cent, calculated as mortgage amount relative to the value of the property used as collateral.

At third quarter end 2017, the company's substitute assets included in the cover pool amounted to NOK 311 million, compared to NOK 20 million at third quarter end 2016. Over-collateralisation, calculated as the value of the coverpool relative to the value of outstanding covered bond loan debt was 12.9 per cent as at 30 September 2017, compared to 15.2 per cent as at 30 September 2016.

Møre Boligkreditt AS' liquidity portfolio consisting of Liquidity Coverage Ratio (LCR) eligible assets amounted to NOK 50 million at 30 September 2017, reporting total LCR of 175 per cent by third quarter end 2017.

Rating

The rating agency Moody's has assigned Aaa-rating to all covered bonds issued by Møre Boligkreditt AS.

Capital strength

Paid in equity and other equity amounted to NOK 1 611 million by end of third quarter 2017, compared to NOK 1 476 million by end of third quarter 2016. Risk weighted assets amounted to NOK 9 099 million by end of third quarter 2017. Net equity and subordinated loan capital amounted to NOK 1 466 million by the end of third quarter 2017, compared to NOK 1 315 million by end of third quarter 2016. This corresponds to a capital adequacy/core capital ratio of 16.1 per cent. Møre Boligkreditt AS uses internal rating based (IRB) models to calculate capital requirements for credit risk.

Outlook

The oil related part of the Norwegian economy has experienced a slowdown also in 2017. A strong household sector due to record low interest rates, low unemployment levels, together with a solid public sector has however kept the production levels high in several other sectors. The weak NOK is positive for the competitiveness of the export industry and the tourist industry. We will probably see the same development with selective growth also in the coming quarters.

Should the Norwegian economy be hit harder than expected, monetary and fiscal policy will be moved in an even more expansive direction. The development of house prices, together with growth in debt, is the most important risk factors to Norwegian households. Important risk factors going forward are also the oil price development, macro-economic growth in export markets and the NOK exchange rate.

The combined activity of businesses located in Møre og Romsdal county remains high despite the decline in the petroleum related industries, and unemployment is declining. The registered unemployment rate in the county of Møre og Romsdal was 2.5 per cent in September 2017, the same as national average levels. We expect unemployment in the county to stay around national average levels.

Retail lending growth in Sparebanken Møre Group is 7.8 per cent the last twelve months, but in line with signs of weaker national growth in household debt, we also see the Group retail lending growth rate slowing down somewhat for the remainder of 2017.

The Board believes that despite the slowdown of the economy, both in Norway and in the county of Møre og Romsdal, the low interest rates and high disposable household income will contribute to further mortgage loan growth in Sparebanken Møre. This mortgage growth will position Møre Boligkreditt AS to acquire further mortgage loan portfolios from the parent bank, and further increase the volume of outstanding bond loans from Møre Boligkreditt AS.

Ålesund, 30 September 2017

18 October 2017

THE BOARD OF DIRECTORS OF MØRE BOLIGKREDITT AS

KJETIL HAUGE, Chairman

BRITT IREN TØSSE AANDAL

ELISABETH BLOMVIK

GEIR TORE HJELLE

SANDRA MY HRE HELSETH

OLE KJERSTAD, Managing Director

Statement of income

STATEMENT OF INCOME

Amounts in NOK million	Notes	Q3 2017	Q3 2016	30.09.2017	30.09.2016	2016
Interest income	2	134	124	392	373	502
Interest expenses	2	66	63	206	190	260
Net interest income	2 6	68	61	186	183	242
Commission income		0	0	0	0	0
Net change in value of securities and related derivatives		-3	1	-14	6	0
Wages, salaries and general administration costs		1	1	2	2	2
Other operating costs	6	8	7	26	23	31
Total operating costs		9	8	28	25	33
Profit before impairment on loans and taxes		56	54	144	164	209
Impairment on loans	3	0	0	0	0	1
Pre tax profit		56	54	144	164	208
Taxes		14	13	36	41	52
Profit after tax		42	41	108	123	156

STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK million	Q3 2017	Q3 2016	30.09.2017	30.09.2016	2016
Profit after tax	42	41	108	123	156
Other comprehensive income	0	0	0	0	0
Total comprehensive income after tax	42	41	108	123	156

Statement of financial position

Assets

Amounts in NOK million	Notes	30.09.2017	30.09.2016	31.12.2016
Loans to and receivables from credit institutions	2 4 5 6	194	20	271
Loans to and receivables from customers	2 3 4	20 838	18 005	19 810
Certificates and bonds	4 5	168	373	522
Financial derivatives	4 5	318	419	368
Total assets		21 518	18 817	20 972

Liabilities and equity

Amounts in NOK million	Notes	30.09.2017	30.09.2016	31.12.2016
Loans from credit institutions	4 6	1 168	1 498	1 141
Debt securities issued	4 5 6	18 692	15 805	18 265
Financial derivatives	4 5	15	4	4
Tax payable		32	33	54
Deferred tax liability		0	1	0
Total liabilities		19 907	17 341	19 463
Share capital		1 325	1 175	1 175
Share premium		175	175	175
Paid-in equity		1 500	1 350	1 350
Other equity		3	3	159
Profit for the period		108	123	0
Retained earnings		111	126	159
Total equity	7	1 611	1 476	1 509
Total liabilities and equity		21 518	18 817	20 972

Statement of changes in equity

30.09.2017

Amounts in NOK million	Total equity	Share capital	Share premium	Retained earnings
Equity as at 31 December 2016	1 509	1 175	175	159
Total comprehensive income for the period	108			108
Issue of share capital	150	150		
Dividends	-156			-156
Equity as at 30 September 2017	1 611	1 325	175	111

The share capital consists of 1 060 000 shares at NOK 1 250, a total of NOK 1 325 million. All shares are owned by Sparebanken Møre. The issue of share capital of NOK 150 million was fully paid in 27 February 2017, approved by the Norwegian FSA 20 March 2017, and registered in the Norwegian Register of Business Enterprises 4 April 2017.

30.09.2016

Amounts in NOK million	Total equity	Share capital	Share premium	Retained earnings
Equity as at 31 December 2015	1 329	975	175	179
Total comprehensive income for the period	123			123
Issue of share capital	200	200		
Dividends	-176			-176
Equity as at 30 September 2016	1 476	1 175	175	126

The share capital consisted of 940 000 shares at NOK 1 250, a total of NOK 1 175 million. All shares were owned by Sparebanken Møre. The issue of share capital of NOK 200 million was fully paid in 8 March 2016, approved by the Norwegian FSA 7 April 2016, and registered in The Brønnøysund Register Centre 12 April 2016.

31.12.2016

Amounts in NOK million	Total equity	Share capital	Share premium	Retained earnings
Equity as at 31 December 2015	1 329	975	175	179
Total comprehensive income for the period	156			156
Issue of share capital	200	200		
Dividends	-176			-176
Equity as at 31 December 2016	1 509	1 175	175	159

The share capital consisted of 940 000 shares at NOK 1 250, a total of NOK 1 175 million. All shares were owned by Sparebanken Møre. Dividend as of 31 December 2016 amounted to NOK 156 million.

Statement of cash flow

Amounts in NOK million	30.09.2017	30.09.2016	31.12.2016
Cash flow from operating activities			
Interest, commission and fees received	390	369	496
Interest, commission and fees paid	-13	-15	-19
Operating expenses paid	-28	-25	-33
Income taxes paid	-58	-71	-63
Payment for acquiring loans from the Parent Bank	-4 790	-4 686	-7 838
Payment related to instalment loans and credit lines to customers	3 761	3 588	4 934
Net cash flow from operating activities	-738	-840	-2 523
Cash flow from investing activities			
Received interest, commission and fees related to certificates, bonds and other securities	3	4	6
Proceeds from the sale of certificates, bonds and other securities	1 052	94	114
Purchases of certificates, bonds and other securities	-697	-61	-231
Changes in other assets	-14	4	-3
Net cash flow from investing activities	344	41	-114
Cash flow from financing activities			
Paid interest, commission and fees related to issued bonds	-192	-175	-242
Net change in loans from credit institutions	28	528	171
Proceeds from bonds issued	3 350	995	3 494
Maturity of debt securities	-2 884	-828	-828
Dividend paid	-156	-176	-176
Changes in other debt	21	-10	4
Issue of share capital and premium	150	200	200
Net cash flow from financing activities	317	534	2 623
Net change in cash and cash equivalents	-77	-265	-14
Cash balance at 01.01	271	285	285
Cash balance at 30.09/31.12	194	20	271

Note 1

ACCOUNTING PRINCIPLES

Møre Boligkreditt AS' interim report is prepared in accordance with IAS 34 Interim Financial Reporting (compressed).

The accounts are prepared using the same principles, and with the same methodology as the annual accounts for 2016. The principles are outlined in the annual report for 2016. There have been no changes in standards that affect the financial statements of Møre Boligkreditt AS from 31 December 2016.

The interim financial statements are not audited.

All amounts are stated in NOK million unless stated otherwise.

Note 2

OPERATING SEGMENTS

Møre Boligkreditt AS has only one segment in its business and the customers derive mainly from the retail banking market. The following tables contain details of loans to customers by sector.

(MNOK)	Loans		
	30.09.2017	30.09.2016	31.12.2016
Broken down according to sectors			
Commercial sector	373	373	366
Retail customers	20 447	17 617	19 426
Accrued interest income	23	19	23
Loans, nominal amount	20 843	18 009	19 815
Collective impairment	-5	-4	-5
Loans to and receivables from customers	20 838	18 005	19 810

(MNOK)	Net interest income		
	30.09.2017	30.09.2016	31.12.2016
Interest income from:			
Loans to and receivables from credit institutions	1	2	2
Loans to and receivables from customers	388	367	494
Certificates, bonds and other interest-bearing securities	3	4	6
Interest income	392	373	502
Interest expenses in respect of:			
Loans from credit institutions	13	15	18
Debt securities issued	193	175	242
Interest expenses	206	190	260
Net interest income	186	183	242

Note 3

IMPAIRMENT, LOSSES AND NON-PERFORMANCE

Møre Boligkreditt AS reviews its loan portfolio continuously. If there is objective evidence that a loan is impaired, the impairment loss is calculated quarterly as the difference between the carrying value of the loan and the estimated present value of future cash flows. Loans and loan commitments are assessed to see whether or not objective evidence exists that a loss event has occurred at the reporting date that have a negative impact on future cash flows. Examples of such objective evidence are significant financial problems at the borrower, payment defaults, significant breaches of contract, amendments to terms as a result of the borrower's financial difficulties, bankruptcy, etc.

If objective evidence of impairment exists, the impairment is estimated as the difference between the carrying amount and the present value of future cash flows. Estimates of future cash flows also take into account takeovers and sales of associated collateral, including expenses associated with such takeovers and sales.

When all collateral has been realised and there is no doubt that the mortgage company will not receive further payments relating to the loan, the impairment will be reversed and the actual loss will be booked. Nonetheless, the claim against the customer will remain and be followed up, unless a debt forgiveness agreement is reached with the customer.

Assets for which no objective evidence of impairment is observed on an individual instrument basis are grouped based on similar credit risk characteristics and assessed on a collective basis. Collective impairments are recognised for sub-groups of loans or loan commitments when there is observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of loans or loan commitments since the initial recognition, while the decrease cannot yet be identified with the individual financial assets in the group.

The Sparebanken Møre Group has developed its own collective impairment model and calculations are conducted each month based on input from the risk classification system, data warehouse, and assessments of macroeconomic factors. Changes to risk classification, negative developments in collateral values, and registered macroeconomic events that affect future estimated cash flows are taken into account in the model. The Group's model for collective impairment is tailored to Møre Boligkreditt AS' assumptions and operations.

No objective evidence of loss events requiring impairment on an individual loan or loan commitment basis was observed at the reporting date. Nor do the lending statistics on this date show any registered non-performance in the mortgage company's portfolio. The collective impairment model on this date indicates no increase in collective impairments for the mortgage company's portfolio. Total impairment amounts to NOK 5 million as at 30 September 2017.

Note 4

FINANCIAL INSTRUMENTS

All lending and receivables are recorded at amortised cost. Amortised cost is also used for fixed and floating rate securities issued.

The company's debt securities issued with fixed interest rates are accounted for using fair value hedging. Losses and gains, resulting from changes in value due to changes in market interest, of debt securities with fixed interest are recognised in the income statement in the period they arise.

Market prices are used to price lending to and receivables from financial institutions and lending to customers. The prices set include a mark-up for the relevant credit risk. Fair value is estimated as the carrying amount of the lending and receivables stated at amortised cost after deducting impairment.

There are no major differences between the book value and the fair value of loans to credit institutions and customers, and liabilities to credit institutions agreed at variable rates and recognised at amortised cost. Fair value of debt securities is calculated allowing for change in the market interest rates and change in the credit margin.

Financial derivatives related to the company's debt securities issued are carried at fair value through profit or loss, and recognised gross per contract, as either asset or debt.

CLASSIFICATION OF FINANCIAL INSTRUMENTS	Financial instruments at fair value through profit or loss		Financial assets and liabilities carried at amortised cost	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Loans to and receivables from credit institutions			194	20
Loans to and receivables from customers			20 838	18 005
Certificates and bonds	168	373		
Financial derivatives	318	419		
Total assets	486	792	21 032	18 025
Loans from credit institutions			1 168	1 498
Debt securities issued			18 692	15 805
Financial derivatives	15	4		
Total liabilities	15	4	19 860	17 303

FAIR VALUE OF FINANCIAL INSTRUMENTS AT AMORTISED COST	30.09.2017		30.09.2016	
	Fair value	Book value	Fair value	Book value
Loans to and receivables from credit institutions	194	194	20	20
Loans to and receivables from customers	20 838	20 838	18 005	18 005
Total assets	21 032	21 032	18 025	18 025
Loans from credit institutions	1 168	1 168	1 498	1 498
Debt securities issued	18 766	18 692	15 807	15 805
Total liabilities	19 934	19 860	17 305	17 303

FINANCIAL INSTRUMENTS AT AMORTISED COST - 30.09.2017	Based on prices in an active market	Observable market information	Other than observable market information	
	Level 1	Level 2	Level 3	Total
Loans to and receivables from credit institutions	-	194	-	194
Loans to and receivables from customers	-	-	20 838	20 838
Total assets	-	194	20 838	21 032
Loans from credit institutions	-	1 168	-	1 168
Debt securities issued	-	18 766	-	18 766
Total liabilities	-	19 934	-	19 934

FINANCIAL INSTRUMENTS AT AMORTISED COST - 30.09.2016	Based on prices in an active market	Observable market information	Other than observable market information	
	Level 1	Level 2	Level 3	Total
Loans to and receivables from credit institutions	-	20	-	20
Loans to and receivables from customers	-	-	18 005	18 005
Total assets	-	20	18 005	18 025
Loans from credit institutions	-	1 498	-	1 498
Debt securities issued	-	15 807	-	15 807
Total liabilities	-	17 305	-	17 305

FINANCIAL INSTRUMENTS AT FAIR VALUE - 30.09.2017	Based on prices in an active market	Observable market information	Other than observable market information	
	Level 1	Level 2	Level 3	Total
Certificates and bonds	-	168	-	168
Financial derivatives	-	318	-	318
Total assets	-	486	-	486
Financial derivatives	-	15	-	15
Total liabilities	-	15	-	15

FINANCIAL INSTRUMENTS AT FAIR VALUE - 30.09.2016	Based on prices in an active market	Observable market information	Other than observable market information	
	Level 1	Level 2	Level 3	Total
Certificates and bonds	-	373	-	373
Financial derivatives	-	419	-	419
Total assets	-	792	-	792
Financial derivatives	-	4	-	4
Total liabilities	-	4	-	4

Note 5

ISSUED COVERED BONDS

Securities issued at floating interest rates are measured at amortised cost. Securities issued at fixed interest rates are measured at amortised cost as well, and fair value hedge accounting with changes in fair value (due to the hedged risk) recognised in profit and loss is used for the company's securities issued at fixed rate terms.

COVERED BONDS (MNOK)								
ISIN code	Currency	Nominal value 30.09.2017	Interest	Issue	Maturity	30.09.2017	30.09.2016	31.12.2016
NO0010575079	NOK		3M Nibor + 0.55 %	2010	2017	-	1 498	1 498
NO0010588072	NOK	1 050	fixed NOK 4.75 %	2010	2025	1 241	1 302	1 251
NO0010657232	NOK	2 500	3M Nibor + 0.65 %	2012	2018	2 504	2 509	2 508
XS0828616457	SEK		3M Stibor + 0.70 %	2012	2017	-	655	666
NO0010676018	NOK	2 500	3M Nibor + 0.47 %	2013	2019	2 502	2 503	2 503
XS0968459361	EUR	25	fixed EUR 2.81 %	2013	2028	283	293	282
XS0984191873	EUR	30	6M Euribor + 0.20 %	2013	2020	282	270	272
NO0010696990	NOK	2 500	3M Nibor + 0.45 %	2013	2020	2 497	2 495	2 496
NO0010699028	NOK		3M Nibor + 0.37 %	2013	2017	-	750	750
NO0010720204	NOK	3 000	3M Nibor + 0.24 %	2014	2020	2 998	2 497	2 498
NO0010730187	NOK	1 000	fixed NOK 1.50 %	2015	2022	994	1 003	987
NO0010777584	NOK	3 000	3M Nibor + 0.58 %	2016	2021	3 003	-	2 498
XS1626109968	EUR	250	fixed EUR 0.125 %	2017	2022	2 354	-	-
Total securities issued						18 658	15 775	18 209
Accrued interest						34	30	56
Total borrowings raised through the issue of securities						18 692	15 805	18 265

COVER POOL (MNOK)	30.09.2017	30.09.2016	31.12.2016
Pool of eligible loans 1)	20 487	17 774	19 430
Supplementary assets	311	20	743
Financial derivatives to hedge issued securities (liabilities)	-15	-4	-4
Financial derivatives to hedge issued securities (assets)	318	419	368
Total collateralised assets	21 101	18 209	20 537
Collateralisation in %	112.9	115.2	112.4

1) NOK 351 million of total gross loans are not eligible for the cover pool as at 30.09.17.

Note 6

TRANSACTIONS WITH RELATED PARTIES

In order to conduct normal business, Møre Boligkreditt AS purchases services from Sparebanken Møre. There will also be transactions between the parties related to the acquisition of loan portfolio, and the fact that Sparebanken Møre provides loans and credits to the mortgage company.

Loans from Sparebanken Møre are transferred at market value. If the purchased mortgage loans have fixed interest rates the price is adjusted for the value above / below par. Sparebanken Møre is responsible for ensuring that the loans to be transferred to Møre Boligkreditt AS are properly established and in accordance with the requirements specified in the agreement between the mortgage company and the Parent Bank. In case of a violation of these requirements, the Parent Bank will be liable for any losses that the mortgage company would experience as a result of the error. Sparebanken Møre and Møre Boligkreditt AS have formalised the settlement of interest for transaction days from date of transfer of loan portfolio to date of settlement of the consideration.

If Møre Boligkreditt AS should have difficulty in obtaining financing, there is established a revolving guarantee from Sparebanken Møre where the purpose is to ensure timely payments to owners of bonds and derivative counterparties.

The pricing of the services provided to Møre Boligkreditt AS by Sparebanken Møre distinguishes between fixed and variable costs for the mortgage company. Fixed costs are defined as costs the mortgage company must bear regardless of the activity related to the issuance of covered bonds, the acquisition of portfolio, etc. Variable costs are defined as costs related to the size of the portfolio acquired from Sparebanken Møre and the work that must be exercised by the Bank's employees to deliver satisfactory services given the number of customers in the portfolio.

Møre Boligkreditt AS is billed for costs related to the lease of premises at Sparebanken Møre. It is assumed that regardless of operations, a certain area of the bank attributable to the mortgage company is utilised during the year. Regardless of the extent of the activity and the loan portfolio acquired by Møre Boligkreditt AS, charges related to accounting, financial reporting, risk management, cash management, financing, governance and general legal services will incur.

Sparebanken Møre bills the mortgage company based on actual salary costs, including social security contribution, pension costs and other social costs. Parts of the mortgage company's expenses related to services provided by Sparebanken Møre relates to the size of the portfolio acquired from Sparebanken Møre. Management fee is calculated and billed monthly, in which the month's average portfolio size form the basis of billing.

The interest rate of the mortgage company's deposit and credit limit in Sparebanken Møre is based on 3 months NIBOR + a premium.

The most important transactions are as follows:

(MNOK)	30.09.2017	30.09.2016	31.12.2016
Statement of income			
Interest and credit commission income from Sparebanken Møre related to deposits	1	2	2
Interest and credit commission income paid to Sparebanken Møre related to loan/credit facility	13	15	18
Interest paid to Sparebanken Møre related to bonded debt	10	1	8
Management fee paid to Sparebanken Møre	22	20	26
Statement of financial position			
Deposits in Sparebanken Møre	194	20	271
Covered bonds held by Sparebanken Møre as assets	0	159	2 186
Loan/credit facility in Sparebanken Møre	1 168	1 498	1 141
Accumulated transferred loan portfolio from Sparebanken Møre	20 843	18 009	19 815

Note 7

EQUITY AND RELATED CAPITAL

Core capital and supplementary capital	30.09.2017	30.09.2016	31.12.2016
Share capital and share premium	1 500	1 350	1 350
Retained earnings	3	3	159
Total equity	1 503	1 353	1 509
Dividends	0	0	-156
Expected losses exceeding actual losses, IRB portfolios	-37	-38	-39
Common Equity Tier 1 capital	1 466	1 315	1 313
Supplementary capital	0	0	0
Net equity and subordinated loan capital	1 466	1 315	1 313

Risk-weighted assets (calculation basis for capital adequacy ratio)

Credit risk loans and receivables (Standardised Approach)	200	202	250
Credit risk loans and receivables (Internal ratings based Approach)	3 974	3 657	4 083
Operational Risk (Basic indicator Approach)	505	501	501
Total risk exposure amount for credit valuation adjustment (CVA) (SA)	295	365	300
Risk-weighted assets less transitional rules	4 974	4 725	5 134
Additional RWA from transitional rules 1)	4 126	3 282	3 587
Total risk-weighted assets	9 099	8 007	8 722
Minimum requirement common equity Tier 1 capital (4.5%)	409	360	392

1) Transitional rules require that RWA can not be less than 80 per cent of the corresponding Basel I requirement

Buffer Requirement

Countercyclical buffer (1.5%)	136	80	87
Capital conservation buffer (2.5%)	227	200	218
Systemic risk buffer (3.0%)	273	240	262
Total buffer requirements	637	520	567
Available common equity Tier 1 capital after buffer requirements	420	434	354

Capital adequacy as a percentage of the weighted asset calculation basis

Capital adequacy ratio	16.1 %	16.4 %	15.1 %
Core capital ratio	16.1 %	16.4 %	15.1 %
Core tier 1 capital ratio	16.1 %	16.4 %	15.1 %

Leverage ratio

Leverage ratio	6.6 %	6.6 %	6.1 %
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Liquidity Coverage Ratio

Liquidity Coverage Ratio	175%	180%	119%
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Møre Boligkreditt AS' capital requirements at 30th September 2017 are based on IRB-Foundation for commercial commitments and IRB-Retail for retail commitments

Profit performance

QUARTERLY PROFIT

(MNOK)	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	68	61	57	59	61
Other operating income	-3	-6	-5	-6	1
Total operating costs	9	9	10	8	8
Profit before impairment on loans	56	46	42	45	54
Impairment on loans	0	0	0	1	0
Pre tax profit	56	46	42	44	54
Tax	14	12	10	11	13
Profit after tax	42	34	32	33	41

As a percentage of average assets

Net interest income	1.32	1.23	1.15	1.23	1.34
Other operating income	-0.07	-0.11	-0.11	-0.14	0.03
Total operating costs	0.18	0.20	0.19	0.18	0.17
Profit before impairment on loans	1.07	0.92	0.85	0.91	1.20
Impairment on loans	0.00	0.00	0.00	0.02	0.00
Pre tax profit	1.07	0.92	0.85	0.89	1.20
Tax	0.27	0.23	0.21	0.23	0.30
Profit after tax	0.80	0.69	0.64	0.66	0.90

Average total assets (MNOK)	20 565	19 545	19 876	19 164	18 003
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ACCUMULATED PROFIT FOR THE YEAR

(MNOK)	30.09.2017	30.09.2016	31.12.2016
Net interest income	186	183	242
Other operating income	-14	6	0
Total operating costs	28	25	33
Profit before impairment on loans	144	164	209
Impairment on loans	0	0	1
Pre tax profit	144	164	208
Tax	36	41	52
Profit after tax	108	123	156

As a percentage of average assets

Net interest income	1.24	1.37	1.33
Other operating income	-0.10	0.05	0.00
Total operating costs	0.19	0.19	0.18
Profit before impairment on loans	0.95	1.23	1.15
Impairment on loans	0.00	0.00	0.01
Pre tax profit	0.95	1.23	1.14
Tax	0.24	0.31	0.29
Profit after tax	0.71	0.92	0.85
Average total assets (MNOK)	19 995	17 888	18 207